

Message Text

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73

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 SP-02 USIA-06 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 OMB-01 CEA-01 L-03 COME-00

CIAE-00 INR-07 NSAE-00 /060 W

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R 202017Z APR 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2860

C O N F I D E N T I A L CARACAS 4409

E.O. 11652: GDS

TAGS: EINV VE

SUBJECT: USG POLICY CONCERNING VALUATION OF EXPROPRIATED
PROPERTY

REF: STATE 081210

1. I HAVE CONCLUDED THAT IT WOULD NOT BE IN THE U.S. INTEREST TO PRESENT OUR POLICY TO THE GOV ON THIS ISSUE AT THIS TIME. AS THE DEPARTMENT IS AWARE, THE COMPTROLLER GENERAL HAS ADVANCED TAX CLAIMS OF MORE THAN \$500 MILLION AGAINST THE FORMER OIL CONCESSIONAIRES. OTHER CURRENTLY DELICATE PROBLEMS IN THIS GENERAL AREA INCLUDE THE GOV ATTEMPT TO BUY OUT THE OWENS-ILLINOIS SUBSIDIARY, THE OCCIDENTAL PETROLEUM CASE AND THE ON-GOING NEGOTIATIONS WITH THE SMALLER OIL COMPANIES FOR OFFTAKE AND TECHNOLOGY CONTRACTS.

2. A USG DEMARCHE COULD COMPLICATE THESE MATTERS. WE KNOW FROM EXPERIENCE THAT THE GOV FINDS POLITICAL ADVANTAGE IN USING OUR STATEMENTS OF POLICY ON EXPROPRIATION TO DISPLAY ITS OWN NATIONALISTIC CREDENTIALS. WE WOULD BE DOING OURSELVES AND THE COMPANY A DISSERVICE IF, FOR EXAMPLE, WE INTRODUCED THIS ELEMENT INTO THE OWENS-ILLINOIS SITUATION BEFORE THAT BECAME NECESSARY.

3. I DO THINK THE PRESENTATION SHOULD BE MADE AT THE PROPER
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TIME AND WILL HOPE THAT THE DELAY WILL NOT HAVE TO BE TOO LONG.

IT REPRESENTS AN IMPORTANT CLARIFICATION OF AN ASPECT OF OUR
POLICY THAT HAS SEEMDD FUZZY AT TIMES IN THE PAST. I NOTE
IN THE MEANTIME THAT NO ONE OF CONSEQUENCE IN THE GOV FROM
THE PRESIDENT ON DOWN IS CURRENTLY UNAWARE OF OUR OBJECTION
TO NET BOOK VALUE AS A STANDARD OF COMPENSATION.
SHLAUDEMAM

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NNN

Message Attributes

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